

The Aluminum Situation

Seasons Greetings

ECONOMICS AND STATISTICS

DECEMBER 1989

ALUMINUM SHIPMENTS DECLINE 0.5 PERCENT

Total industry net shipments for ten months of 1989, reported at 13,680 million pounds, were down 0.5 percent from the ten month 1988 total of 13,744 million pounds.

Domestic shipments of aluminum ingot and mill products were reported at 11,764 million pounds, a decline of 4.9 percent from the 1988 total of 12,367 million pounds.

Exports of ingot and mill products continue strong in 1989 at 1,916 million pounds, an increase of 39.2 percent from ten months of 1988. Imports decreased 6.6 percent for the same period.

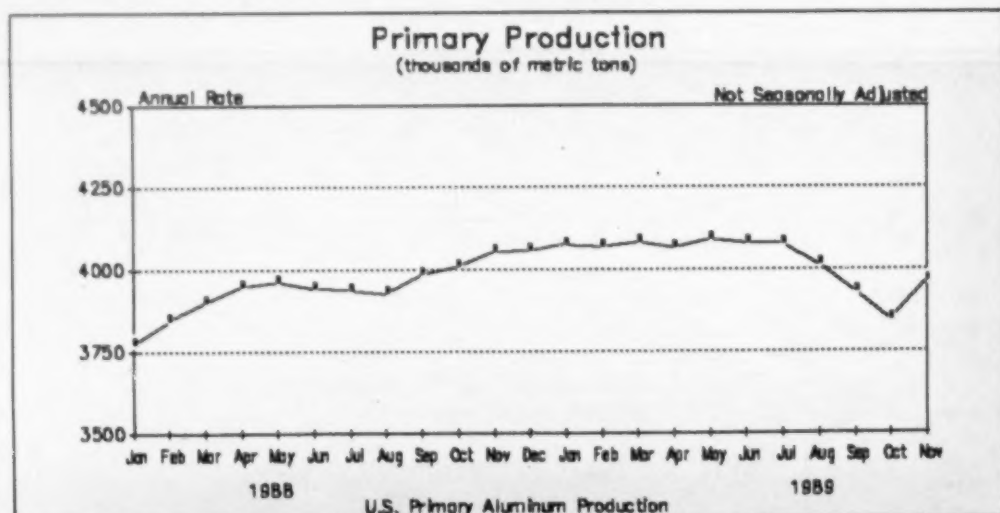
THRU OCTOBER 1989

	1989 10 Mos.	1988 10 Mos.	% Change
Mill Products	11,134	11,149	-0.1
Ingot	2,546	2,595	-1.9
Total	13,680	13,744	-0.5
Less Exports	1,916	1,377	39.2
Domestic Total	11,764	12,367	-4.9

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

PRIMARY PRODUCTION DAILY RATE ESTIMATED AT 10,856 METRIC TONS

U.S. primary aluminum production averaged an estimated 10,856 metric tons daily during November 1989. This compares with an average of 11,075 metric tons a day in November 1988 and 10,529 metric tons a day in October 1989. The annual rate of production in November 1989 was 3,962,489 metric tons compared with 4,053,511 metric tons in November 1988 and 3,843,167 metric tons in October 1989. Estimated production in November 1989 was 325,684 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

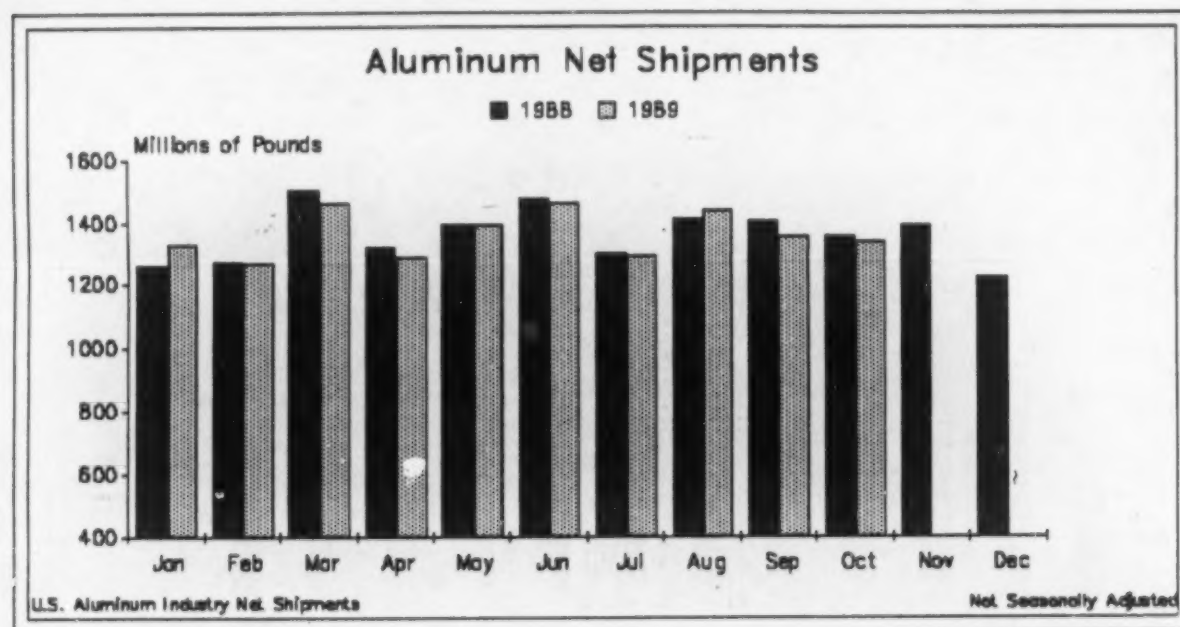
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INDUSTRY NET SHIPMENTS DECLINE 0.5 PERCENT

Total industry net shipments for ten months of 1989, reported at 13,680 million pounds, were down 0.5 percent from the ten month 1988 total of 13,744 million pounds. Domestic shipments of 11,764 million pounds decreased 4.9 percent from the ten month 1988 total of 12,367 million pounds.



NET SHIPMENTS (Millions of Pounds)	1989 October	1988 October	1989 10 Mos.	1988 10 Mos.	% Change 1989 vs 1988
Sheet	590.7	579.2	6,278.3	5,988.3	4.8
Plate	24.4	24.9	266.6	252.3	5.7
Foil	78.8	78.6	753.9	802.3	-6.0
Rod, Bar & Wire	19.4	23.6	207.5	249.2	-16.7
Elec. Conductor	56.6	60.2	590.5	552.4	6.9
Extruded Shapes, Tube	230.9	241.7	2,287.8	2,323.5	-1.5
Powder & Paste	7.6	7.0	79.1	73.2	8.0
Forgings & Impacts	14.3	14.2	133.9	141.4	-5.3
Net Imports of Mill Products (Total) (a)	56.4	68.7	536.5	766.9	-30.0
Total Mill Products	1,079.1	1,098.0	11,134.0	11,149.4	-0.1
Ingot	264.4	263.5	2,545.7	2,594.6	-1.9
TOTAL INDUSTRY SHIPMENTS	1,343.5	1,361.5	13,679.7	13,744.0	-0.5
Exports	230.8	132.1	1,915.9	1,376.8	39.2
TOTAL DOMESTIC SHIPMENTS	1,112.7	1,229.4	11,763.8	12,367.3	-4.9

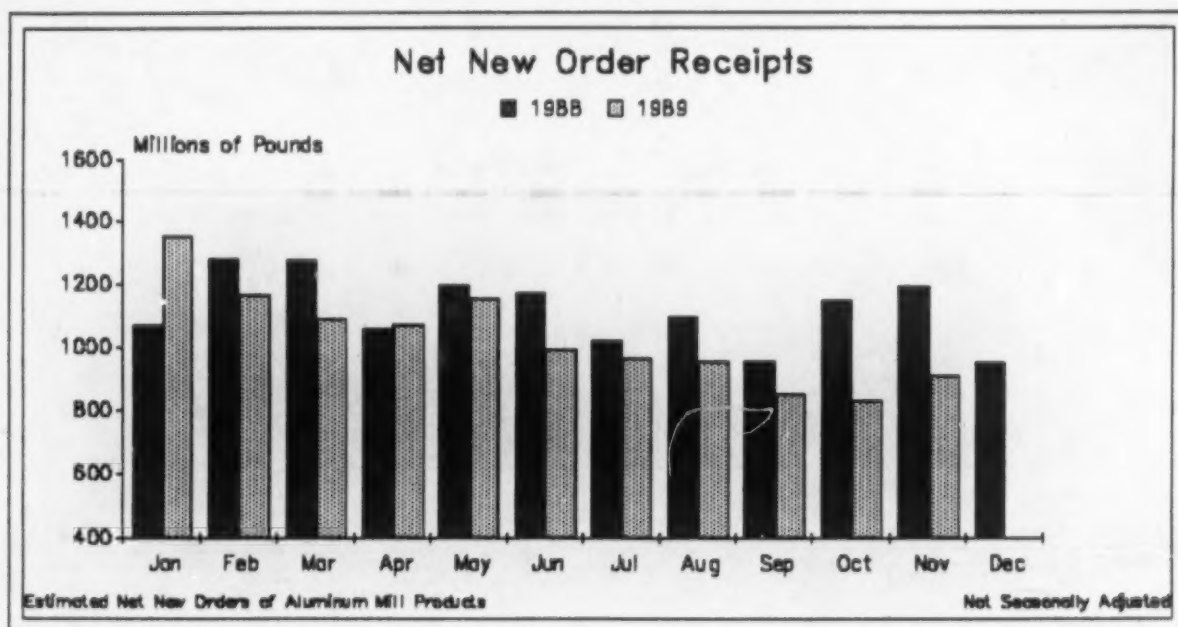
Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D

Note: Cumulative data includes revisions for previous periods

(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 8.2 PERCENT

Estimated net new order receipts of aluminum mill products for eleven months of 1989, totaling 11,382 million pounds, declined 8.2 percent from a eleven month 1988 total of 12,398 million pounds. November order receipts of 914 million pounds increased 9.6 percent from a October 1989 figure of 834 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1989 November	1988 November	1989 11 Mos.	1988 11 Mos.	% Change 1989 vs 1988
Sheet & Plate, Other	286.9	366.3	3,712.0	4,103.4	-9.5
Can Stock (a)	256.6	267.2	3,312.7	3,572.9	-7.3
Foil	94.7	113.4	937.9	1,024.3	-8.4
Bar, Rod & Wire	28.9	37.1	375.2	420.1	-10.7
Electrical Conductor	41.9	54.2	598.5	720.5	-16.9
Extruded Shapes & Tube	188.4	229.2	2,204.3	2,298.7	-4.1
Powder & Paste	7.1	15.6	101.3	117.2	-13.6
Forgings & Impacts	9.3	12.1	140.0	141.2	-0.8
Total Mill Products	913.8	1,095.1	11,381.9	12,398.3	-8.2

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.

Note: Cumulative data includes revisions for previous periods.

(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DOWN 56 MILLION POUNDS

Producer inventories decreased in October 1989 to a reported total of 4,158 million pounds. This represents a 56 million pound decline from the September 1989 level of 4,214 million pounds.

Month-End Aluminum Producer Inventories (Millions of Pounds)

	<u>Total</u>	<u>Ingot</u>	<u>Scrap</u>	<u>All Other</u>
August	4,325	1,535	637	2,152
September	4,214 _r	1,499 _r	649 _r	2,066 _r
October	4,158	1,458	669	2,031

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 34.3 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of October 30, 1989 was 34.3, up 1.5 percent from inventories reported at the end of September 1989.

Month-End Aluminum Customer Inventories (Average Number of Days)

August	33.6
September	33.8
October	34.3

Source: Aluminum Association - Customer Inventory Position Survey

U.S. IMPORTS & EXPORTS (Millions of Pounds)		1989* <u>October</u>	1988 <u>October</u>	1989* <u>10 Mos.</u>	1988 <u>10 Mos.</u>	% Change <u>1989 vs 1988</u>
Imports	Mill Products	74.8	73.3	806.4	828.5	-2.7
	Ingot	143.8	180.4	1,802.4	1,963.8	-8.2
	Total	218.6	253.8	2,608.8	2,792.4	-6.6
	Scrap (+ dross)	52.5	46.9	416.8	390.5	6.7
	Grand Total	271.0	300.7	3,025.6	3,182.8	-4.9
Exports	Mill Products	79.2	75.5	942.8	712.8	32.3
	Ingot	151.6	56.6	973.1	664.0	46.6
	Total	230.8	132.1	1,915.9	1,376.8	39.2
	Scrap	101.6	90.4	1,066.3	855.2	24.7
	Grand Total	332.5	222.5	2,982.2	2,231.9	33.6
Net Imports		-61.4	78.2	43.4	950.9	-95.4

Source: Bureau of the Census, U.S. Department of Commerce.

(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989